

16-4-301 Enforcement of assessment.

- (1) Payment of a delinquent assessment may be enforced by a corporation in one or more of the following ways:
 - (a) imposition of a late charge, penalty, or interest;
 - (b) suspension of one or more benefits of share ownership, including the right to vote, to transfer shares, or to delivery of water in the case of a water company;
 - (c) sale at public auction of the shares on which payment is delinquent; and
 - (d) any other enforcement method specified in the corporation's articles of incorporation.
- (2) In an enforcement action, the corporation may recover the delinquent assessment, any late charge, penalty, or interest, and all costs of collection, including attorney fees.
- (3)
 - (a) The board of directors shall follow enforcement procedures:
 - (i) as set forth in the articles of incorporation or bylaws; or
 - (ii) as determined by the board of directors in a manner consistent with the board of directors' fiduciary duty to shareholders.
 - (b) If the board of directors determines to sell shares at public auction, the board shall follow the procedures required by Sections 16-4-302 through 16-4-312.

Enacted by Chapter 367, 2007 General Session